

**REMARKS**

Presently, claims 1-11 and 15-23 are pending in the application. Independent claims 1, 15 and 23 have been amended to more particularly point out the present invention. Support for the amendments to independent claims 1, 15 and 23 may be found, for example, in Figs. 7 and 8 and at page 16, line 32 – page 17, line 14 of the specification. Accordingly, no new matter has been added to the application by the foregoing amendments.

***Prior Art Rejections – § 103(a)***

The Examiner has rejected claims 1-11 and 15-23 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,002,393 to Hite *et al.* (“Hite”) in view of U.S. Patent No. 6,119,098 to Guyot *et al.* (“Guyot”). The Examiner contends that Hite teaches all elements of the claimed invention, with the exception of a trigger circuit for determining a low-level of the queue. The Examiner further contends that Guyot teaches such a trigger circuit for determining if a queue of advertisements has reached a low level, and concludes that it would have been obvious to combine the teachings of Guyot with those of Hite to result in Applicants’ claimed invention. In view of the foregoing amendments, Applicants respectfully traverse this rejection.

Hite teaches a system for delivering targeted commercials to consumers’ terminals. In Hite, customers, programs and commercials are categorized using known algorithms or data from an outside source. Each consumer’s local terminal is individually addressable, and is designated as being within one or more categories. Separately, each commercial is designated as being within a particular category. When commercials are broadcast, a consumer’s local terminal uses the information associated with the consumer and the commercial to determine whether to play or ignore a particular commercial. In Hite, the commercials may be combined with programming at a transmission facility, and then sent to the consumer. Alternatively, multiple commercials may be simultaneously broadcast over multiple channels, or transmitted and stored at the local terminals in advance. In Hite, an ad queue may be stored in memory, such that lists

of ads may be stored for future insertion into programs. Hite also discloses the ability to synchronize targeted commercials with program switching. A viewer reaction feature causes additional relevant commercials to be presented in response to a viewers' response to questions and/or other viewer interactions. Hite also teaches an anti-zapping feature to delay presentation of the next desired channel until the currently displayed advertisement is completed.

Guyot teaches a system and method of displaying targeted advertisements over a distributed network, such as the Internet. In Guyot, a queue of targeted advertisements is downloaded from a server to a client application on a user's computer. The advertisements that are in the queue are based on the user's personal profile. Once the advertisements have been downloaded, the client application continuously displays the advertisements on the user's computer (even if other applications are running on the user's computer) in accordance with the distribution requirements (or restrictions) of the queue. Guyot further teaches that the user's computer may monitor user interactions with the system to determine whether the schedule of ads in the queue should be altered. For example, if a user has not interacted with the system for some given period of time, the client application will enter a "screen saver" mode and therefore display different ads than if not in a screen saver mode. When the advertisement queue reaches a low level of available ads (i.e., because some ads have expired or been displayed the requisite number or amount of times), the client application accesses the server to obtain another queue of advertisements for display.

Independent claim 1, as amended, recites:

In a television network system, subscriber equipment for displaying targeted advertisements to a subscriber, the subscriber equipment comprising:

a communications interface for receiving at least one queue identifying a sequence of targeted advertisements, wherein the at least one queue is selectively distributed to the subscriber and the targeted advertisements have been previously matched to the subscriber, and wherein the targeted advertisements within the queue have a controllable predetermined spacing;

memory for storing the at least one queue;

a processor, responsive to the at least one queue, configured to repeatedly insert the targeted advertisements into program streams for display, according to the controllable predetermined spacing, to the subscriber in accordance with the sequence, wherein the sequence is independent of the content of the corresponding program stream; and

a trigger circuit for determining if the at least one queue has reached a low-level, wherein said communications interface refreshes the at least one queue in response to a low-level determination by said trigger circuit.

Even if the combination of Hite and Guyot is proper, the combination of these references as contended by the Examiner, still fails to teach or suggest all of the features of independent claim 1. More specifically, neither of the applied references teaches or suggests a communications interface that receives “at least one queue identifying a sequence of targeted advertisements...wherein the targeted advertisements within the queue have a controllable predetermined spacing.” Although Hite discusses the concept of sequencing commercials such that related commercials are presented to the viewer in an appropriate sequence relative to each other, such a concept does not suggest that targeted advertisements stored within the queue are spaced in a controllable, predetermined manner, nor that those advertisements are repeatedly inserted into program streams according to that controllable spacing.

Guyot also does not teach or suggest a system having a communications interface that receives “at least one queue identifying a sequence of targeted advertisements...wherein the targeted advertisements within the queue have a controllable predetermined spacing.” There is no discussion in Guyot of any spacing of advertisements within the queue. Moreover, Applicants respectfully point out that the targeted advertisements in Guyot are not inserted into any type of program stream. Rather, in Guyot, the advertisements are continuously displayed to a user via a dedicated client application. Thus, in Guyot there is no program stream for targeted advertisements to be repeatedly inserted into according to the controllable predetermined spacing, as recited in independent claim 1. Since neither of the applied references teaches this feature, the combination of Hite and Guyot is also lacking at least this feature. That is, the queue taught by Hite utilized with the targeted content of Guyot would result in a

queue having a sequence of targeted advertisements designed for continuous display of those ads, and not a sequence of advertisements independent of program content into which they are repeatedly inserted and which are spaced in a controllable predetermined manner. Accordingly, independent claim 1 is believed to be allowable over the combination of Hite and Guyot.

Independent claims 15 and 23 recite “distributing at least one queue...identifying an ordered list of targeted advertisements...wherein the targeted advertisements within the queue have a controllable predetermined spacing;...inserting the targeted advertisements into one or more programming streams...the advertisements being repeatedly inserted...according to the controllable predetermined spacing....” For the same reasons discussed above with respect to independent claim 1, the combination of Hite and Guyot do not teach or suggest all of the elements of independent claims 15 and 23. Accordingly, independent claims 15 and 23 are believed to be allowable over Hite and Guyot, taken either individually or in combination.

Dependent claims 2-11 and 16-22 are allowable at least by their dependency on independent claims 1 and 15, respectively. Reconsideration and withdrawal of the Examiner's section 103(a) rejection of claims 1-11 and 15-23 are respectfully requested.

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***Conclusion***

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejection has been overcome, and that the application, including claims 1-11 and 15-23 is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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